GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:343
ANSWERED ON:18.07.2017
Remunerative Prices for Agricultural Produce
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the farmers including paddy growers in various States are not getting remunerative prices for their yields;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government is formulating a clear and effective policy for minimum support price and loan waiver in the interest of the farmers in the country;

(d) if so, the details thereof;

(e) whether the Government is considering the legitimate demands of the farmers, if so, the details thereof; and

(f) the details of the various steps taken by the Government to ensure adequate remunerative prices to farmers including paddy growers for their crops?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

???? ??? ????? ?????? ???????? ??? ????? ?????? (SHRI S.S. AHLUWALIA)

(a) & (b): Government ensures remunerative price to the growers by offering to procure their produce at MSP. However, farmers are free to sell it to Government agencies or in the open market as is advantageous to them.

The procurement of paddy in terms of rice at MSP by the Government agencies since 2014-15 to 2016-17 is at Annexure.

(c) to (e): Government fixes the Minimum Support Prices (MSPs) of various crops on the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of concerned State Governments and Central Ministries/Departments. While formulating its recommendations on price policy, the CACP considers, inter alia, a number of important factors including demand and supply, cost of production, trends in market prices, inter- crop price parity, terms of trade between agriculture and non-agriculture etc.
Contdâ€¦2/-

CACP also holds consultations with various stakeholders including farmers' representatives before finalizing its recommendations.

Government has taken several measures to minimize indebtedness from non-institutional sources of lending which includes fixation of annual targets for improving agricultural credit flow, provision of crop loans up to Rs.3.00 lakh @ 4% per annum to such farmers who repay their loan as per the repayment schedule fixed by the banks, extension of benefit of interest subvention scheme to small & marginal farmers having Kisan Credit Card for a further period upto six months for storing their produce in warehouses against negotiable warehouse receipts, collateral free loan up to Rs. 1.00 lakh, scheme for financing of joint Liability Group (JLGs) etc.

(f): Government has taken several steps to ensure MSP for all agricultural produce including paddy which inter alia includes setting up of procurement centre keeping in view the potential in the areas; creating awareness among the farmers of the MSP operations; making payment through arthias/co-operative societies to the farmers; encouraging decentralized procurement; adopting e-procurement system; engaging private players in certain States to participate in procurement operations etc.

In addition, Government has also launched a scheme developing a pan India electronic trading platform under 'National Agriculture Market' (NAM) aiming to integrate 585 regulated markets with the common e-market platform to ensure remunerative prices for major agricultural crops including paddy. Each State is being encouraged to undertake three major reforms - allow electronic trading, have a single license valid throughout the State and a single entry point market fee. 455 markets in 13 States have already been brought on the e-NAM platform.